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September 4, 2014

## **VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd Chief Clerk/Administrator Public Service Commission of South Carolina 101 Executive Center Drive, Suite 100 Columbia, SC 29210

Re: Request for changes to annual EE/DSM filings for Duke Energy Carolinas, LLC

and Duke Energy Progress, Inc.

Dear Mrs. Boyd:

The purpose of this letter is to ask the Public Service Commission of South Carolina ("Commission") to approve certain changes regarding the filing dates, test periods, forecast periods, rate effective dates and rate periods for the Energy Efficiency/Demand Side Management ("EE/DSM") filings for Duke Energy Carolinas, LLC ("DEC") and Duke Energy Progress, Inc. ("DEP") (collectively referred to as the "Companies"). The Companies seek to implement these changes to 1) eliminate confusion regarding alignment between rate periods and program years for the Companies; 2) provide DEC opt-out eligible customers with more certainty about rates when making annual elections; 3) improve evaluation, measurement, and verification availability at the time of filing; and 4) simplify the process for reviewing system-wide EE/DSM data and information.

Pursuant to Commission Order No. 2013-147, DEP's annual EE/DSM filing must be made no later than March 1 each year. With this filing date, the test period for the filing is April 1 through March 31 of the preceding year, and the rate the Commission approves is effective for one year starting July 1 the year the filing is made. Also, pursuant to Commission Order No. 2013-147, DEC's annual EE/DSM filing must be made no later than August 1 each year. The test period for the August filing runs from January 1 through December 31 of the preceding year, and the rate the Commission approves is effective for one year starting January 1 after the August filing.

The Companies propose to move the current filing date for DEP from March 1 to August 1 each year. The intervenor comment dates, test period, forecast period, and rate effective date would correspond to the dates currently used for the DEC filing. Consequently, intervenor comments would be due October 15 and the test period, forecast period and rate period would be based on the calendar year. These dates are shown on a timeline in Exhibit A, which is attached.

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In order to accomplish this change, the test period for DEP's August 2015 filing would run from January 2014 through December 2014. Also, the rate approved in DEP's most recent EE/DSM filing in Docket No. 2014-89-E would need to be extended from June 30, 2015 to December 31, 2015. Amounts under or over collected would be trued up in the August 2016 filing.

DEC is not requesting to change the rate period for its 2014 filing. The rate the Commission approves in Docket No. 2014-334-E will be effective through December 31, 2015. DEC would, however, need to change its 2015 filing date from August 1 to March 1. The intervenor comment dates would correspond to the dates currently used for the DEP filing. The rate effective date, which is currently January 1, would not change. As shown in Exhibit A, the test period, forecast period, and rate period would not change.

The Companies contend the benefits that will result from these changes—greater availability of information during opt-out periods, greater simplicity when reviewing EE/DSM information on a system-wide basis, and greater availability of Evaluation, Measurement and Verification (EM&V) data at the time filings are made—make the changes requested worthwhile. In requesting these changes, the Companies have tried to account for workload balance for the Commission, South Carolina Office of Regulatory Staff and others who review the EE/DSM filings. Because the Companies seek to switch their filing dates, the timing and spacing of EE/DSM filings set out in Commission Order No. 2013-147 would remain unchanged should the requests herein be approved.

Based on the foregoing, the Companies ask the Commission to approve the proposed changes. Please feel free to contact me should there be any questions.

Sincerely,

Timika Shafeek-Horton Deputy General Counsel

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cc: Nanette S. Edwards, Office of Regulatory Staff
Shannon Bowyer Hudson, Office of Regulatory Staff
Jeffrey M. Nelson, Office of Regulatory Staff
John Flitter, Office of Regulatory Staff

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